

REMARKS

The comments of the applicant below are each preceded by related comments of the examiner (in small, bold type).

1. Applicant and the assignee of this application are required under 37 CFR 1.105 to provide the following information that the examiner has determined is reasonably necessary to the examination of this application.

2. An issue of public use or on sale activity has been raised in this application. In order for the examiner to properly consider patentability of the claimed invention under 35 U.S.C. 102(b), additional information regarding this issue is required as follows: It is unclear from the admission what was known or used by others, whether there were any acts that would constitute an offer for sale, whether there were any public disclosures, or where such acts or disclosures occurred.

Applicant is reminded that failure to fully reply to this requirement for information will result in a holding of abandonment.

The declaration of the assignee's representative in response to the request is attached (see attached Exhibits A-E).

12. Claims 4 and 11 are objected to because of the limiting phrase, "loan payment or prepayment" in the second line of each claim.

Applicant is reminded of § 1.75 wherein the claim or claims must conform to the invention as set forth in the remainder of the specification and the terms and phrases used in the claims must find clear support or antecedent basis in the description so that the meaning of the terms in the claims may be ascertainable by reference to the description. (See § 1.58(a)).

Appropriate correction is required.

The applicant disagrees. The terms "loan payment" and "prepayment" are common English terms that have well accepted meanings.

14. Claims 1-13 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1-13 appear to be directed to an abstract idea rather than a practical application of an abstract idea which would produce a "useful, concrete, and tangible result." This claimed subject matter lacks a practical application of a judicial exception since it fails to produce a useful, concrete and tangible result.

For example, claims 1-6 are merely directed towards "receiving, transforming, pruning, and adjusting" "variables", which may not be held to be a tangible result, and therefore non-statutory subject matter. To be tangible the claim must recite more than a 35 U.S.C. 101 judicial exception, in that the process claim must set forth a practical application of that 35 U.S.C. 101 judicial exception to produce a real-world result.

Another example, claims 6 and 7 is directed towards a "user", which may not be held to be a concrete result, and therefore non-statutory subject matter. Usually, a claimed invention is

not concrete when a result cannot be assured or is not reproducible. The result must be substantially repeatable. The claim is directed towards subjective subject matter.

Another example, claim 8 is directed towards "behavior", which may not be held to be a concrete result, and therefore non-statutory subject matter. Usually, a claimed invention is not concrete when a result cannot be assured or is not reproducible. The result must be substantially repeatable. The claim is directed towards subjective subject matter.

Moreover, the claimed invention must accomplish a practical application i.e., it must produce a "useful, concrete, and tangible result."

...

When a rejection under 35 USC § 101 is made for lacking concreteness and the invention cannot operate as intended without undue experimentation because of the lack of concreteness or predictability, the 35 USC § 101 rejection is accompanied by a lack of concreteness rejection under 35 USC § 112, first paragraph.

Amendments have been made.

18. Claim 1 recites the limitation "the population" in Line 8 of the claim. There is insufficient antecedent basis for this limitation in the claim.

19. Claim 6 recites the limitation "the choices" in Line 2 of the claim. There is insufficient antecedent basis for this limitation in the claim.

20. Claim 7 recites the limitation "the sequence" in Line 4 of the claim. There is insufficient antecedent basis for this limitation in the claim.

21. Claim 7 is rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps. See MPEP § 2172.01. Claim 7 is a method claim without steps.

Amendments have been made.

23. Claims 1-13 are rejected under 35 U.S.C. 102(b) as being anticipated by Cassuto et al. (U.S. Publication Number 2002/0127529).

As to independent claim 1, Cassuto discloses a machine-based method comprising receiving historical multi-dimensional data representing multiple variables to be used as an input to a predictive model of a commercial system (see Paragraph [0005J], transforming variables into more predictive variables (see Paragraph [0098I], including Bayesian renormalized variables (see Paragraph [0098I], linearly transformed variables and imputed missing values for categorical or continuous variables (see Paragraph [0098I]), pruning variables for which the data is sparse or missing (see Abstract; and Paragraph [0048I]), adjusting the population of variables to represent main effects exhibited by the data and significant interaction and non-linear effects exhibited by the data (see Paragraph [0058I]).

In amended claim 1, the variables are transformed into predictive variables that include "non-linearly transformed variables." In Cassuto, the variables are transformed by creating "one or more new variables that are based on [linear] groups of highly correlated independent variables that poorly correlate with other groups of independent variables." (paragraph 0050),

lines 1-5) The cited passages of Cassuto did not describe and would have made obviously that the variables are transformed into predictive variables that include “non-linearly transformed variables.”

As to independent claim 7, Cassuto discloses a machine-based method comprising in connection with a project in which a user generates a predictive model based on historical data about a system being modeled (see Paragraph [0005]), providing to the user through a graphical user interface the sequence of dimension reduction (see Paragraphs [0032] and [0036]).

Amended claim 7 recites “portraying to a user through a graphical user interface a sequence of dimension reduction having two or more steps.” In Cassuto, display operations 132 and 140 merely provide to a user, through a display device 116, the “prediction creation process *options*,” and “model evaluation *results*.” (paragraph [0032], lines 7-12, paragraph [0044], lines 4-13, emphasis added). In this regard, Cassuto generally describes “operational components” as being displayed at “various levels of complexity, but typically ... [corresponding] to those as ... shown in FIG. 2 and/or FIGS. 3-8.” (paragraph 0042, lines 3-7) The cited passages in Cassuto did not describe and would not have made obvious providing to a user through a graphical user interface “a sequence of dimension reduction having at least two or more steps.”

As to dependent claim 2,

As to dependent claim 3,

As to dependent claim 4,

As to dependent claim 6,

As to dependent claim 8,

As to dependent claim 9,

As to dependent claim 10,

As to dependent claim 11,

As to dependent claim 12,

As to dependent claim 13,

All of the dependent claims are patentable for at least similar reasons as those for the claims on which they depend are patentable.

Canceled claims, if any, have been canceled without prejudice or disclaimer.

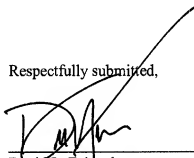
Any circumstance in which the applicant has (a) addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, (b) made arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended or canceled a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

Enclosed is a Petition for Three Month Extension of Time. The fees in the amount of \$525 are being paid concurrently on the Electronic Filing System (EFS) by way of Deposit Account authorization. Please apply any other required fees to deposit account 06-1050, referencing the attorney docket number shown above.

Date: _____

10/1/07

Respectfully submitted,



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